

EXPLANATION OF DRAFT LEGISLATION
TO AMEND THE FOREIGN SERVICE ACT OF 1946,
AS AMENDED, AND FOR OTHER PURPOSES

A. GENERAL BACKGROUND

1. Senate Action on S. 2237

On June 17, 1955, the Senate passed S. 2237. The purpose of this Bill is to increase the number of top-level statutory positions in the Department of State by three officers at the level of Deputy Under Secretary of State and to authorize an increase in the salaries of the top-level officers, exclusive of the Secretary of State, namely, the Under Secretary of State, three Deputy Under Secretaries of State, ten Assistant Secretaries of State, the Counselor and the Legal Adviser. In reporting out S. 2237, the Committee on Foreign Relations expressed the view that as a consequence of the increased responsibilities of the United States in world affairs, "steps should be taken to give the Department three additional top-level positions, namely, three positions of Deputy Under Secretary of State, but with no change in the number of Assistant Secretary of State posts."

S. 2237 also provides for the following adjustments in the salaries of top-level officers of the Department: The Under Secretary of State from \$17,500 to \$21,000; the three Deputy Under Secretaries from \$15,000 to \$20,500; the ten Assistant Secretaries from \$15,000 to \$20,000; and, the Counselor and Legal Adviser from \$15,000 and \$14,800, respectively, to \$20,000.

2. Overall adjustments in executive salaries

The Executive Branch is actively developing draft legis-

executive officials and certain limited adjustments in the salary schedule for employees under the Classification Act of 1949, as amended.

It is contemplated that such legislation will provide for the following salary adjustments for top-level officials of the Department of State and for chiefs of mission.

<u>Category of Officer</u>	<u>Present Salary</u>	<u>Proposed Salary</u>
1. Secretary of State	\$22,500	\$30,000
2. Under Secretary of State	\$17,500	\$25,000
3. Director of the International Cooperation Administration	\$17,500	\$25,000
4. Assistant Secretaries of State designated by the Secretary as Deputy Under Secretaries	\$15,000	\$23,500
5. Other Assistant Secretaries of State	\$15,000	\$22,500
6. Counselor	\$15,000	\$22,500
7. Legal Advisor	\$14,800	\$22,500
8. Chiefs of Mission		
a. Class 1	\$25,000	\$30,000
b. Class 2	\$20,000	\$27,500
c. Class 3	\$17,500	\$25,000
d. Class 4	\$15,000	\$22,500
9. Representatives and alternate representatives to UNESCO	Not to exceed \$12,000	Not to exceed \$16,000

In addition, it is contemplated that such legislation will:

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1. Authorize the Secretary of State to fix the salary of the six offices authorized by section 1 (d) of Reorganization Plan No. 7, of 1953, but in no event at a rate less than that for Assistant Secretaries of State.
2. Provide that the compensation of 15 positions authorized by section 527 (b) of the Mutual Security Act of 1954 may not exceed the compensation provided for Assistant Secretaries of State.
3. Provide for salary adjustments for Foreign Service officers in the class of career minister, and classes 1, 2, and 3, and for Foreign Service Reserve officers and Staff officers in classes 1, 2, and 3, respectively, generally corresponding to contemplated adjustments for employees under the Classification Act of 1949, as amended.

3. Limitations of legislation adjusting executive salaries

The contemplated legislation affecting executive salaries, although highly beneficial from the standpoint of the Department of State and the Foreign Service, does not accomplish several highly desirable improvements relating to the administration of the Department and the Foreign Service, most of which either arise out of, or the need for which is accentuated by, the contemplated executive pay measure. Briefly, these improvements are as follows:

1. The creation of three positions of Deputy Under Secretary of State in addition to the ten Assistant

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Secretary posts presently authorized - a step already taken by the Senate in approving S. 2237.

2. The establishment of a position of Deputy Director of the International Cooperation Administration to be appointed by the President by and with the advice and consent of the Senate and to be compensated at the same rate as a Deputy Under Secretary of State.
3. The establishment of a new class of career ambassador to be applicable to relatively few Foreign Service officers who have rendered exceptionally distinguished service to their country.
4. The revision of the class and salary structure applicable to Foreign Service officers (below the class of career minister) so as to provide eight classes rather than six (and the same revision in the existing class and salary structure for Foreign Service Reserve officers).
5. Revision of the Foreign Service Retirement provisions so as to:
 - a. Base retirement computations on actual basic salary received rather than on the present artificial and inequitable limit of \$13,500; and
 - b. Permit retirement annuities to be based on the five highest (in terms of salary earnings) years of consecutive service for which full contribu-

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rather than requiring that annuities be based
on the last five years of service preceding
retirement.

These revisions will substantially strengthen and improve
the administration of the Department and the Foreign Service and
will round out the beneficial improvements contained in the con-
templated executive pay measure.

A more detailed explanation of each change is contained under
item B which follows.